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November 4, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 95105

**Re: Comments Regarding FDIC Application #20051977; Wal-Mart
Application for Insurance and Industrial Bank Charter**

Dear Mr. Carter:

I am writing to oppose the application of Wal-Mart Stores, Inc., for Federal deposit insurance coverage for an ILC charter in Utah. I am a community banker and believe strongly that allowing Wal-Mart to own a bank charter and potentially open branches in its network of stores would do irreparable harm to my community and my institution, and pose a severe systemic risk to our nation's economy.

I am aware that Wal-Mart has stated that it intends to operate a limited ILC charter in Utah. I am skeptical. Their assurances that the operation will remain narrow ring hollow in the context of the company's history and corporate philosophy. This is Wal-Mart's fourth attempt to get into the banking business. Wal-Mart's CEO says he wants to grow the company and provide financial services to its customers. It is not much of a stretch to conclude that somewhere down the road, Wal-Mart will be amending its business plan to allow it to offer a full array of banking services. This must not be allowed to happen.

Wal-Mart has a long history of destabilizing communities by undercutting prices of local merchants and driving them out of business. That is not a theory, it is a fact. For example, when Wal-Mart entered Iowa, 50% of clothing stores, 30% of hardware stores, 42% of variety stores, 26% of department stores, and 25% of building materials stores were driven out of business. Were Iowa consumers well served by eliminating Wal-Mart's competitors and denying consumer choice? I think not. Think of the economic consequences of those statistics, and the impact it had on the state of Iowa! Communities recover from natural disasters; man-made ones are much longer lasting.

Wal-Mart did not open stores in those communities to be civic partners with local merchants; they opened stores to drive local merchants out of business and steal their customers, which is just what they did. The largest company in the world could do the

is the linchpin of our financial system and must be preserved. Would a Wal-Mart Bank offer credit at reasonable terms to its competitors? Would Wal-Mart require its suppliers to bank at the Wal-Mart bank?

Even more importantly, the largest company in the world owning a bank would produce a dangerous concentration of economic power and resources that would pose severe systemic risks to our economy. Think what would have happened if Enron owned a bank? Or Worldcom? It could have exposed the FDIC fund to enormous liability and pulled down our entire financial system. Our nation cannot afford to take that risk to save Wal-Mart a couple of pennies on each credit and debit card transaction.

For the sake of the community banks of our nation and the customers and communities we serve, please do not allow Wal-Mart to get into the banking business. Make a statement for fair competition and consumer choice by denying Wal-Mart's application for deposit insurance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Aiken', with a stylized flourish at the end.

Douglas J. Aiken
Executive Vice President & Cashier



November 4, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square
San Francisco, CA 94105

Re: Wal-Mart ILC Application

Dear Mr. Carter:

The Dolores State Bank is opposed to Wal-Mart's application for a Utah based ILC. The Bank welcomes fair competition. However, based on Wal-Mart's repeated attempts to purchase existing financial institutions and their tepid assurances to the contrary; the Bank believes this is a small, but important, step to introducing retail banking services. Given Wal-Mart's resources, the Bank fears a Wal-Mart Bank would engage in the same predatory tactics its' retail operations have used to deleterious effects on local merchants.

Further, approval of the application would introduce a dangerous precedent of mixing banking and commerce with consequences for the economy as well as regulatory oversight. In the long term, this arrangement may limit the banking options of smaller companies to the point of requiring them to do business with competitor owned banks. Dissimilar regulations and requirements put ILC's at a competitive advantage while simultaneously weakening the industry. Sanctioning the merger of banking and commerce is not the way to sustain a vibrant small business environment and instill confidence in the banking system.

In closing The Dolores State Bank supports the efforts of the Sound Banking Coalition to oppose Wal-Mart's application.

Respectfully,

A handwritten signature in blue ink, which appears to read "Larry Engel". The signature is fluid and cursive, with the first name "Larry" and the last name "Engel" clearly distinguishable.

Larry Engel
AVP/AC